

atmosphere harmful gases emitted in the process of melting enter the furnaces of thermal treatment and filters for dust removal. This complex is equipped with both domestic and German equipment of the firm Varta.

The commission of this complex, which is scheduled for May next year, will allow Ukraine to become home to Europe's first closed-battery production. After establishing the supply of batteries, exhausted their resources, REX will provide production capacities of battery factories with 80% of lead. By the way, the need for lead at the battery factory "Ista" is 20.6 thousand tons a year, which is equivalent to 50 thousand tons of old batteries. To interest the car owners in the delivery of the old batteries there will be collection points with the financial compensation or a substantial discount on the purchase of a new battery.

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IMPORTANCE OF MEASUREMENT OF CUSTOMER'S RETENTION RATE FOR SERVICE PROVIDERS

Firstly, it is important to start what retention rate is.

Retention rate: The ratio of the number of customers who retained to the number at risk

Every single managers know than it is cheaper to safe current customers that acquire new. Because lost customer requires additional investments in marketing and purchase inducements, such as rebates and discounts. These acquisition expenditures may offset revenues from customer purchases for a year or more. Retention is particularly important when the costs of acquisition are high. By some measures, even a modest improvement in customer retention can substantially improve the bottom line. For example, a study by Frederick Reichheld and W. Earl Sasser Jr. of companies in nine industries — from auto service to software — found that a 5 percent reduction in the rate of customer defection boosted profit by 25 to 85 percent. Those are huge profit improvements! Given the economic value of retention, it is surprising that companies do not give more formal and systematic attention to it. They spend heavily on activities that aim to acquire new customers and squeeze sales out of existing ones. They manage these activities intensely. They have advertising managers, sales managers, sales quotas, and even prizes for the people who open the most new accounts. Far less attention is given to the systematic management of customer retention, even though, if Reichheld and Sasser are correct, a dollar invested on the latter will pay higher dividends than a dollar spent on the former.

Quantify Defection if you had 100 defections in one quarter, the annual rate would be 400 defections. Supposing that you have 2,000 accounts, that is 1/5, or a 20 percent annual defection rate. Turn the 1/5 fraction on its head, and you have 5/1, or 5, the number of years that you can expect the average customer to stay with you, given the current defection rate.

Learn from Defectors and the Dissatisfied

Defecting customers are a critical source of information. If you can contact them and get them to respond, they can tell you things about your offer that encouraged their defection. «I did not feel that the advice in your stock market newsletter was worth the price» «The magazine is too long on ads and too short on content» «We did not renew our season tickets because the symphony is performing too many modern pieces. We prefer baroque» «My child had two ineffective teachers last year, and the administration did nothing to improve the situation. We will not pay private school tuition for that type of performance» «Your home delivery grocery service was fine, and the prices were competitive. We stopped using the service because we have gone to a nontraditional diet of organic foods» Remarks like these can help you understand the cause of customer defections and guide you in making choices about pricing, product or service features, delivery, and other aspects of your offer. So develop a systematic approach to obtaining feedback from defectors.

Neutralize the Causes of Defection

Assuming that your value proposition is attractive and on target (you sell a needed product or service, it is priced right, and it is delivered right), the best way to minimize defection is to eliminate reasons for customers to look elsewhere.

Here are specific guidelines:

- Do not disappoint. Product or service quality must be consistent and must be maintained at the high level people have come to expect.
- Keep the price reasonable. Milking customers may provide a short-term benefit, but it will encourage defection.
- Maintain a dialogue with customers. Customers will forgive one or two lapses if they have opportunities to provide feedback. Reward that feedback in some way.

Keep looking for ways to surprise and delight customers. If people anticipate five-day delivery, improve your fulfillment process to the point that you can deliver in four days. Then look for opportunities to surprise and delight on some other front.

One of the simplest way to calculate retention rate is to count the number of customer defections over a period of months; then analyze that number.